

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C.

In the Matter of)
) IB Docket No. 04-398
The Effect of Foreign Mobile Termination Rates)
On U.S. Customers)
)

COMMENTS BY THE GOVERNMENT OF JAPAN

- The primary position of the Government of Japan is that the international settlement rate should be priced on a commercial basis, as described in its proposal in ITU (-SG3) (See attached reference). As the mobile termination rate, which is the subject of this Notice of Inquiry, is a matter to be handled by each country's regulatory body as an internal policy, the Government of Japan requests the United States Government not to address foreign termination rates in a unilateral manner.
- While the Government of Japan shares the view that a proper measure should be taken when the international settlement rate does not become lower on a commercial basis, it is also of the view that such issues should be deliberated at multinational fora such as ITU. Therefore, the Government of Japan desires that the United States Government rather collaborate in developing a study to realize "cost-oriented mobile termination rates", which the Government of Japan has already proposed to start at ITU-SG3.
- As long as the Government of Japan understands, the United States Government basically shares the position that the international settlement rate should be addressed in multinational settings such as ITU, as the latter articulates in the Forth Joint Status Report on the U.S.-Japan Enhanced Initiative on Deregulation and Competition Policy.¹
- In Japan, the international settlement rate has continuously been becoming lower, and the

¹ Extract from "Forth Joint Status Report on the US-Japan Enhanced Initiative on Deregulation and Competition Policy," June 30, 2001.

"H. FCC Order Concerning the International Settlement Rate Benchmark: The Government of the United States will continue to actively participate in multilateral fora seeking to address the issue of above-cost accounting rates, will contribute to credible efforts to resolve this issue, and will give due consideration to the development of the discussions in such fora."

mobile termination rate has also been decreasing year by year in a competitive market environment under the calling-party-pay (CPP) system. As a result, the interconnection rates of Japanese mobile carriers are among the lowest in comparison to other developed countries. (² ³)

- For the reasons described above, the Government of Japan recommends that the FCC primarily contribute to the progress of multilateral debate concerning the international settlement rate and mobile termination rate by, for example, providing data collected through this Notice to ITU.

² See p.38 and p.39 of following Web page document
http://europa.eu.int/information_society/topics/ecom/doc/all_about/implementation_enforcement/annualreports/10threport/sec20041535VOL2en.pdf

³ See following Web page document
<http://www.nttdocomo.com/presscenter/pressreleases/press/file/040316attachment3.pdf>